GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Industries & Commerce Department – Sanction of additional funds in relaxation of Treasury Control Orders and Quarterly Regulation Orders as loan of Rs.192.00 lakhs to Etikoppaka CA & IS Ltd., Etikoppaka towards payment of Rs.100/- per MT to the sugar cane growers during 2010-11 – Administrative Sanction accorded – Orders – Issued.

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INDUSTRIES & COMMERCE (SUGAR) DEPARTMENT

G.O.Rt.No. 415 , Dated:03 -07-2012.

Read the following:-

1. Representation of Singampally Sanyasi Naidu & others, Farmers from East Godavari District, Dt.Nil, received with CMP NO.715/CMDV/2011, Dt.11.11.2011.
2. Govt. Memo. No.16360/Sug/A1/2011-1,Dated:30.11.2011.
3. From Hon'ble Minister Tribal Welfare D.O.Lr.No.542/M(TW)/2011 Dt.26.11.2011 received through the Secy. to CM vide CMPNo.2259/CMP-SM/11, Dt:16.12.2011.
4. Govt.Memo.No.16360/Sug/A1/2011- , Dated:5-1-2012.
5. From Sri U.V. Ramana Murthy Raju, MLA, Elamanchili Constituency, Visakhapatnam District representation, Dt.23.11.2011 received through CMP No.4312/CMP-MM/2011, Dt.3.12.2011.
6. From the CoS&CC, AP, Hyd. Lr.No.3632/2011/D1, Dt:16.3.2012.
7. G.O.Rt.No.2496, Finance (Expr.I&C) Department, Dt.18-05-2012.

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O R D E R:

In the Memo. 2nd read above, while forwarding the representation of cane growers from East Godavari District in the reference 1st read above and letter of Hon'ble Minister for Tribal Welfare in the reference 3rd read above regarding additional payment of cane price for the season 2010-11, the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad was requested to send the remarks in the matter to the Government. In the reference 5th read above, the Secretary to Chief Minister while enclosing the representation of Sri U.V. Ramanamurthy Raju, Member of Legislative Assembly, Elamanchili, Visakhapatnam District submitted to Hon'ble Chief Minister requesting for payment of another Rs.100/- per MT towards cane price for the season 2010-2011 towards cane supplied to Etikoppaka Coop. Sugars Ltd., Etikoppaka, requested that the representation may be examined and necessary action taken.

2. The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad in his letter 6th read above has informed that the Managing Director, Etikoppaka CA & IS Ltd. in his letter Dt:07.01.2012 has stated that the Cooperative Sugar Factory has crushed a quantity of 1,00,363 MTs of cane and produced 97870 Bags/Qtls of sugar with an average recovery of 9.81% for the crushing season 2009-10. The society has paid cane price @ Rs.2000/- per Metric Ton for the season 2009-10. As such the farmers have come forward and the cane plantations have been increased. Due to this reason, the factory has crushed 1,91,290 MTs of cane and produced 1,90,321 Bags/Qtls of sugar with an average recovery of 9.91% during the season 2010-11. The Managing Director has further stated that the cane growers of the factory, are small and marginal farmers and they have got low yields and their returns are not profitable due to abnormal increase of labour cost, harvesting charges and transport charges etc.

3. The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has stated that, during the General Body Meeting held on 20-07-2010, it was unanimously resolved to pay cane price @ Rs.2000/- per MT for the season 2010-11 as was paid during 2009-2010 season. However, the factory has paid cane price @ Rs.800/- only for the season 2010-11 due to poor sugar and molasses prices and the factory was left with no margin money as the free sale sugar market prices are less than the cost of production. Further, the Managing Director, Etikoppaka Cooperative Sugar Factory has stated that the cane growers are also agitating to pay remaining Rs.200/- per MT for the season 2010-11, as was paid by the Chodavaram Cooperative Sugar Factory. In order to encourage the cane plantations for coming season, the CSF has to pay Rs.100/- per MT towards additional cane price for the season 2010-11 in the interest of the factory as well as cane growers. At present, the society is not in a position to meet the additional cane price of Rs.100/- per MT payable for the season 2010-11 due to non remunerative sugar and molasses prices.

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4. The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has also informed that the MD, Etikoppaka CSF, while forwarding the Joint Collector/Person-In-Charge resolution, has requested to recommend their case to the State Govt. for sanction of loan of Rs.1,92,00,000/- (Rupees one crore ninety-two lakhs only) for payment of additional cane price @ Rs.100/- per MT for 1,91,290 MTs of cane supplied for the season 2010-2011.

5. The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has informed that Government have considered the proposals of Chodavaram CS Ltd. to pay Rs.200/- per MT as bonus / incentive cane price for the season 2010-11 to the suppliers from the internal funds of society without seeking financial assistance from Government.

6. The Government have sanctioned an amount of Rs.50.00 crores as a grant to Nine (9) Cooperative Sugar Factories for payment of better cane price to farmers for the season 2011-12.

7. In the circumstances explained above, the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has requested the Government to take a suitable decision regarding sanction of loan Rs.192.00 Lakhs towards payment of additional cane price @ Rs.100/- per MT of cane supplied during the season 2010-2011.

8. Government after careful examination of the entire issue, hereby sanction additional funds of Rs.1,92,00,000/- ((Rupees one crore ninety-two lakhs only) as loan in relaxation of Treasury Control Orders and Quarterly Regulation Orders to Etikoppaka CA & IS Ltd., Etikoppaka towards payment of Rs.100/- per MT to the sugar cane growers who have supplied sugar cane during 2010-11 **as a special case**. This order is specific to the Etikoppaka CA & IS Ltd., Etikoppaka and it shall not be quoted as a precedent case for other Cooperative Sugar Factories.

9. The expenditure sanctioned shall be debited to the following Head of Account:

"6860 – Loans for consumer industries – 04 – Sugar – MH 101 Loans to Cooperative Sugar mills . GH 11 – Normal State Plan – 05 – Loans for payment of Higher Sugar Cane prices – 002 – Loans to Cooperative Sugar Factories for payment of fair and remunerative price to cane farmers".

10. The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad shall take necessary action for disbursement of the amount. He is requested to send supplementary grant proposals to Finance (BG.I) Department directly within time for inclusion in Supplementary Estimates 2012-13.

11. This order issues with the concurrence of Finance (Expr. I&C) Department, vide their U.O.No.10857/160/Exp.I&C/2012, Dt.19.5.2012 and as per Budget Release Order issued in the reference 7th read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. PRADEEP CHANDRA
PRINICIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad.

COPY to:
The Secretary to CM.
The PS to M (MI, Sugar, C&EP).
The PS to Min. for Tribal Welfare.
The Managing Director, Etikoppaka Cooperative Sugar Factory, Visakhapatnam District.
The AG, AP, Hyderabad.
The PE Department.
The Finance (Exp.I&C) Department.
The Finance (BG.I) Department.
The DT&A, Hyderabad.
The P&AO, AP, Hyderabad.
The PA to Dy. Secretary to Government.

// Forwarded :: By order //

SECTION OFFICER